

Application #09/822,683
Amendment dated May 1, 2006

Remarks:

In the Office Action mailed on 11/30/2005 the Examiner rejected claims 1-22. Applicants amend claims 1, 17, and 19, herein. Claims 23-38 are cancelled by virtue of election filed on August 8, 2005, and submit new claims 39-61. Claims 1-22 and 39-61 are pending in the application.

In the Specification

Applicants have amended several paragraphs of the Specification to more clearly describe the invention. The changes made merely clarify that which may readily be discerned from the specification and drawings as originally filed. Accordingly, no new matter has been added.

The Claims

35 USC 102

Claims 1, and 17-22 were rejected under 35 U.S.C. 102(e) as being anticipated by Himmelstein (Pub. NO. US 2002/0038278 A1) (hereinafter "Himmelstein"). Applicants have amended the Claims 1 and 17 to more clearly recite the subject matter of the invention. To the extent that the Examiner believes that the rejection under 35 USC 102(e) is applicable to the claims as amended, Applicants traverse the rejection.

Anticipation under 35 U.S.C. 102(e) requires that each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. The identical invention must be shown in as much detail as is contained in the claim." MPEP 2131. That standard cannot be met using Himmelstein.

As amended Claim 1 recites, for example, "defining first and second assets as **first and second digital automated equities** wherein a digital automated equity is **connected to a software object instantiated with attributes** of the assets to which the digital

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automated equity corresponds, the software objects attributes **including: at least one function** selected from the set of functions having the members (1) the ability to calculate a value given certain assumptions, (2) a maintenance of a pedigree of transaction history involving the digital automated equity, (3) an embodiment of variable business logic, (4) an embodiment of variable vocabulary, (5) an ability to declare the identity of the digital automated equity."

Thus, Applicants method for exchange operates using the object oriented programming paradigm in which assets to be made available for exchange are instantiated in software objects having at least one function. According to the object oriented programming paradigm, functions of objects are used to impart some behavior to the object. Thus, herein a Digital Automated Equity is given the power to perform a function. That function is selected from the set "(1) the ability to calculate a value given certain assumptions, (2) a maintenance of a pedigree of transaction history involving the digital automated equity, (3) an embodiment of variable business logic, (4) an embodiment of variable vocabulary, (5) an ability to declare the identity of the digital automated equity." Furthermore, the method of Claim 1 recites a step of "matching the first and second equities by having one intermediary object comparing the attributes of the other intermediary objects by calling on the attributes of the other intermediary objects to determine whether the attributes match the exchange price or exchange conditions required by the one intermediary object."

Himmelstein does not teach or suggest such a method. A notable difference is that Himmelstein does not teach or suggest an integrated method "for exchange of financial and intellectual capital assets" (Claim 1). Himmelstein describes a system for bartering various financial assets in a manner to avoid creating taxable events. Himmelstein does not describe "defining ... digital automated equities [for these assets] wherein a digital automated equity is connected to a software object [having]

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attributes ... including ... at least one function" (Claim 1). Himmelstein describes that a "barter ordering module 105 permits a trader ... to create a barter order that includes the item to be traded, the item desired and additional parameters related to the barter order." Himmelstein, Paragraph [0030]. "The table set forth in FIG. 9A reflects typical parameters associated with various classes of items or securities to be identified in a barter order." Himmelstein, Paragraph [0031]. The table 9A does not show associating a digital automated equity with these items.

Furthermore, the digital automated equities of Claim 1 are endowed with the power associated with programmed software objects, namely, the power to encapsulate functionality. In the case of the invention, one such functionality imparted on a digital automated equity is, for example, selected from the functions in the Markush group set forth in Claim 1. In Himmelstein barter orders are stored in a database (see Paragraph 31 and FIG. 9A). Applicants respectfully request that the Examiner take judicial notice of the fact that database records and objects are very different. Himmelstein's barter database records merely contains static information about the barter orders and no functionality.

Claim 1 recites "matching the first and second equities by having one intermediary object comparing the attributes of the other intermediary objects by calling on the attributes of the other intermediary objects to determine whether the attributes match the exchange price or exchange conditions required by the one intermediary object." Thus, Applicants have invented a method in which intellectual capital and financial assets may be described in a common medium, namely the digital automated equity. Himmelstein does not provide a common medium for describing both financial assets and intellectual capital assets.

For the foregoing reasons, with respect to Claim 1, Himmelstein does not meet the test that "a claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently

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described, in a single prior art reference. The identical invention must be shown in as much detail as is contained in the claim." Claim 17 and the new independent claim recite analogous limitation to those found in Claim 1 and are patentable over Himmelstein for, at least, the same reasons given in support of Claim 1. Accordingly, Applicants respectfully request reconsideration and withdrawal of the 35 USC 102(e) rejection.

35 USC 103

Claims 2-12, and 21 were rejected under 35 U.S.C.103(a) as unpatentable over Himmelstein in view of "Sirim to tender out its technology"; Malaysia: Sirim, SKK to Produce Calcium Board; New Straits Time (XAS) 23 Aug 1995 P.23) hereinafter Sirim, and claims 3, and 8-12 were rejected under 35 USC 103 over Himmelstein in view of Powell (US 2004/0220881 A1). As noted above, Claims 1 and 17 have been amended to more clearly recite the subject matter of the invention. To the extent that the Examiner believes the combination of these dependent claims and the amended independent claims is obvious over the combination of Himmelstein and Sirim, Applicants traverse the rejection.

With such a combination it would not be possible to establish a *prima facie* case of obviousness. "To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." MPEP 2143.

Applicants do not address herein, but reserve for future argument should such argument prove necessary, the first two criteria for a *prima facie* case. However, as must be realized from the arguments presented

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herein above with respect to the rejection under 35 USC 102(e), Himmelstein fails to teach or suggest several elements set forth in the independent claims, e.g., "defining first and second assets as **first and second digital automated equities** comprising wherein a digital automated equity is **connected to a software objects instantiated with attributes** of the assets to which the digital automated equity corresponds, the software objects attributes **including: at least one function** selected from the set of functions having the members (1) the ability to calculate a value given certain assumptions, (2) a maintenance of a pedigree of transaction history involving the digital automated equity, (3) an embodiment of variable business logic, (4) an embodiment of variable vocabulary, (5) an ability to declare the identity of the digital automated equity" and "matching the first and second equities by having one intermediary object comparing the attributes of the other intermediary objects by calling on the attributes of the other intermediary objects to determine whether the attributes match the exchange price or exchange conditions required by the one intermediary object." Sirim and Powell also do not teach or suggest these elements.

Sirim is merely a press release describing a business deal and proposed business deal between various companies. Such a business deal could, indeed, be made using the technology presented by the inventors. However, there is not a scintilla of disclosure in Sirim suggesting that these business transactions were performed using digital automated equities in a digital automated exchange set up to trade such equities, wherein intellectual capital digital automated equities were traded against financial asset digital automated equities after a matching process involving offeror intermediary objects interacting with one another. Not even one of those elements is disclosed in Sirim.

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Similarly, Powell does not teach or suggest these elements. Powell discloses a system for commerce in ideas (Powell Paragraph [0012]). However, Powell does not describe a system that includes offering financial and intellectual property assets using a common medium, e.g., a digital automated equity, or a method for matching offers of digital automated equities using interaction between offeror intermediary objects as claimed in applicants' claims. Accordingly, Powell also fails to teach or suggest several elements of Applicant's claims.

Therefore, the third criteria for a *prima facie* case of obviousness cannot be met using the combination of Himmelstein, Sirim and Powell, with respect to the independent claims. The various dependent claims depend from Claims 1, 17 and the newly added independent claims, incorporate all the limitations of the base claims, and provide further unique and patentable combinations. Therefore, the dependent claims are patentable over Himmelstein and Sirim for the reasons given in support of the independent claims and by virtue of such further combinations.

"If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent." In *re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992), *quoted in* *re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994). Thus, for the reasons given above, Applicants respectfully request withdrawal of the rejection of the claims and their early allowance.

The application is now deemed to be in condition for allowance and notice to that effect is solicited.

CONCLUSION

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It is submitted that all of the claims now in the application are allowable. Applicants respectfully request consideration of the application and claims and its early allowance. If the Examiner believes that the prosecution of the application would be facilitated by a telephonic interview, Applicants invite the Examiner to contact the undersigned at the number given below.

Applicants respectfully request that a timely Notice of Allowance be issued in this application.

Respectfully submitted,

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Appendix

(New Abstract follows this page)

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ATTORNEY'S DOCKET

PATENT

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METHOD AND SYSTEM FOR A DIGITAL
AUTOMATED EXCHANGEAbstract of the Invention

A method and system exchanges assets defined as digital automated equities which are objects instantiated with attributes of an asset. Digital automated equities are registered on a common system exchange as offeror
5 intermediary objects and matched by comparing their attributes. Capital exchange offer objects define desired matches by identifying a digital automated equity associated with an exchange offer, a exchange price for
10 the exchange and one or more conditions associated with the exchange. A match use case compares attributes of capital exchange offers to determine matches based on the closeness of the capital exchange offers and a negotiate transaction use case supports communication between
15 owners associated with close capital exchange offers to alter attributes in response to a match. Once a transaction is complete, a settle transaction use case exchanges the digital automated equities. Digital automated equities may include a variety of assets,
20 including intellectual property such as patents and trademarks, business plans, stock and confidential information. Further, the present invention provides a secure format for exchange of confidential information in stages.